

JUDGE GARDEPHE

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

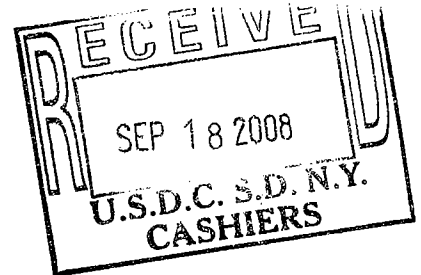
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JASON JADIDIAN,

Defendant.



08 Civ. \_\_\_\_\_

COMPLAINT

**PRELIMINARY STATEMENT**

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against defendant Jason Jadidian (“Jadidian” or “Defendant”), alleges as follows:

1. Jadidian, a stock promoter, participated in a fraudulent scheme to manipulate the market for the common stock of Tecton, Corp. (“TTNC”), a publicly-traded uranium exploration company, by bribing registered representatives (“RRs”) to purchase TTNC common stock in accounts over which the RRs had trading discretion.

2. More specifically, in approximately April 2008, Jadidian entered into an agreement with an individual (“Individual A”), whom Jadidian believed represented a group of RRs with trading discretion over the accounts of wealthy customers. Jadidian promised to pay a

30% kickback to Individual A and the RRs he represented in exchange for the RRs buying TTNC stock through their customers' accounts. Unbeknownst to Jadidian, Individual A actually was an FBI agent posing as a stock promoter.

3. On May 1, 2008, in accordance with the illicit arrangement, Jadidian instructed Individual A to submit orders to buy TTNC stock, and gave Individual A detailed instructions concerning the size, price and timing of those orders, as well as which market makers to contact for execution. In this way, Jadidian was able to insure that all or almost all of Individual A's purchase orders were matched with Jadidian's sell orders at prices Jadidian predetermined.

4. On May 1, 2008, at Jadidian's instruction, Individual A caused the purchase of approximately 80,000 shares of TTNC stock for a total of approximately \$18,600. Thereafter, Jadidian paid Individual A a \$5,000 bribe for those purchases.

### **VIOLATIONS**

5. By virtue of his conduct, Jadidian violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

### **JURISDICTION AND VENUE**

6. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act, 15 U.S.C. § 77t(b), and Section 21(d) of the Exchange Act, 15 U.S.C. §§ 78u(d), seeking permanently to enjoin the Defendant from engaging in the acts, practices and courses of business alleged in this Complaint. The Commission also seeks a final judgment ordering the Defendant to disgorge his ill-gotten gains, if any, with prejudice

interest thereon. The Commission seeks a final judgment ordering the Defendant to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Finally, The Commission seeks a judgment prohibiting the Defendant from participating in an offering of penny stock pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6).

7. This Court has jurisdiction of this action pursuant to Sections 20(d) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(d) and 77v(a), and Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa.

8. Venue in this District is proper pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within this District. For example, the purchases of TTNC stock for which the Defendant paid a kickback were made in New York City.

9. The Defendant, directly or indirectly, has made use of the means or instruments of transportation or communication in interstate commerce, or of a means or instrumentality of interstate commerce, or of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

#### **DEFENDANT**

10. **Jason Jadidian** is a stock promoter who lives in Forest Hills, New York.

## **RELEVANT ENTITY**

11. TTNC is a Nevada corporation with its offices located in Carson City, Nevada. TTNC's stock began trading publicly on March 18, 2008 and is quoted on the OTC Bulletin Board. As of May 12, 2008, the company purportedly had 79,736,560 shares outstanding. TTNC's securities are registered with the Commission pursuant to Section 12(g) of the Exchange Act.

## **FACTS**

### **A. Background**

12. TTNC purports to be a uranium exploration company.

13. According to a Form 10-Q for the quarterly period ended April 30, 2008 that TTNC filed with the Commission on June 18, 2008, TTNC has not commenced significant operations and has never generated revenues. Since its inception, TTNC has accumulated losses of \$3,755,655.

14. TTNC common stock qualifies as a penny stock as it does not meet any of the exceptions from the definition of penny stock contained in Rule 3a51-1 of the Exchange Act.

### **B. Jadidian Entered into an Illicit Arrangement**

15. Between April and August 2008, Individual A represented himself to Jadidian as a person who could arrange stock purchases by a group of RRs with discretion over the accounts of wealthy customers.

16. On April 25, 2008, Jadidian offered to pay Individual A a 30% kickback in exchange for the purchase of TTNC common stock. When Individual A asked Jadidian how

much TTNC stock Jadidian wanted Individual A to purchase, Jadidian responded: “As long as you can go.”

17. Jadidian agreed to a test transaction during which Individual A would purchase \$35,000 of TTNC stock.

18. Jadidian agreed to conceal the kickback arrangement from investors.

19. On May 1, 2008, in accordance with the agreement, Jadidian instructed Individual A to submit orders to buy an aggregate of 80,000 shares of IBOT stock for an aggregate purchase price of \$18,672.

20. In order to ensure that Individual A’s buy orders were matched with Jadidian’s sell orders, Jadidian gave precise instructions to Individual A concerning the size, price and timing of the buy orders, as well as which market makers to contact in order to obtain execution.

21. As a result of Jadidian’s coordination of trading, all or almost all of Individual A’s purchase orders for TTNC stock were matched against Jadidian’s sell orders at prices Jadidian prearranged.

22. On May 29, 2008, Jadidian told Individual A that he wired Individual A’s kickback payment to another friend who agreed to wire the money to Individual A. On July 28, 2008, that person wired \$5,000 to Individual A as a 30% kickback payment for the May 1, 2008 TTNC stock purchase.

### **FIRST CLAIM FOR RELIEF**

#### **Violations of Section 17(a) of the Securities Act**

23. The Commission realleges and incorporates paragraphs 1 through 22 by reference

as if fully set forth herein.

24. The Defendant, directly or indirectly, singly or in concert, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce, or by the use of the mails, (a) has employed, is employing, or is about to employ, devices, schemes, or artifices to defraud; (b) has obtained money or property by means of, or has otherwise made untrue statements of material fact, or has omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and/or (c) has engaged, is engaging, or is about to engage in transactions, practices, or courses of business which operate, operated, or would operate as a fraud or deceit upon the purchasers of securities.

25. The Defendant knowingly or recklessly paid kickbacks in order to facilitate matched trading in TTNC common stock with the intent of manipulating the market for TTNC stock for the Defendant's unlawful benefit.

26. By reason of the foregoing, the Defendant, singly or in concert, directly or indirectly, has violated, is violating, and unless enjoined will again violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

### **SECOND CLAIM FOR RELIEF**

#### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**

27. Paragraphs 1 through 26 are hereby realleged and incorporated by reference.

28. The Defendant, directly and indirectly, singly or in concert, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce,

or of the mails, or of the facilities of a national securities exchange: (a) has employed, is employing, or is about to employ, devices, schemes, or artifices to defraud; (b) has made, is making, or is about to make untrue statements of material fact, or has omitted, is omitting, or is about to omit to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and/or (c) has engaged, is engaging, or is about to engage in acts, practices, or courses of business which operate, operated, or would operate as a fraud or deceit upon other persons.

29. The Defendant knowingly or recklessly paid kickbacks in order to facilitate matched trading in TTNC common stock with the intent of manipulating the market for TTNC stock for the Defendant's unlawful benefit.

30. By reason of the foregoing, the Defendant, singly or in concert, directly or indirectly, has violated, is violating, and unless enjoined will again violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5.

**RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that this Court enter a final judgment:

**I.**

Permanently enjoining the Defendant from violating Section 17(a) of the Securities Act, 15 U.S.C. §77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §§ 240.10b-5.

**II.**

Ordering the Defendant to disgorge his ill-gotten gains, if any, plus prejudgment interest.

**III.**

Imposing civil money penalties upon the Defendant pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

**IV.**

Prohibiting the Defendant from participating in any offering of penny stock pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6).

**V.**

Granting such other and further relief as the Court may deem just and proper.



Dated: September 18, 2008

New York, New York



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